

# COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



## **MEDIA ADVISORY**

For Immediate Release  
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### **Davis To Examine DSS Moratorium on Private Sector Security Clearance Investigations**

**What:** Government Reform Committee Hearing, "Low Clearance: Why Did DOD Suddenly Stop Processing Private Sector Security Clearances?"

**When:** WEDNESDAY, May 17, 2006 at 1:00 PM

**Where:** ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

**Background:** In the federal government, individuals, workplaces, and IT networks all need to be cleared for access to classified information. The bulk of the government's classification workload, however, concerns personnel security clearances.

On April 28 the Government Reform Committee discovered that the Defense Security Service, the Defense Department office responsible for obtaining clearances for DoD employees and contractors, planned to place a moratorium on contractor personnel security clearance requests. The agency feared it was spending its annual budget too fast. (Clearances can cost nearly \$4,000 for the government to process.)

Stopping all private sector security clearance applications and investigations would have a harmful effect on national security, threaten the jobs of defense contractors, and cost taxpayers money by creating a bidding war to employ those who already have clearances.

This is not the first time the Defense Department's inability to control the flow of security clearance investigations has come into play. Chairman Davis and the Government Reform Committee held a hearing in May, 2004,

examining the backlog and delays in the processing of security clearances. In addition, this is not the first moratorium that DSS has had to impose on personnel security clearance investigations.

In June 1981, the Deputy Secretary of Defense declared a moratorium on all requests for periodic reinvestigations and temporarily eliminated background investigations for Secret clearances. A study by the Personnel Security Research Center into the issues leading to the 1981 moratorium bears a striking resemblance to the current situation, including “episodic funding problems,” and “DoD’s open-ended commitment to perform any and all background investigations that might be requested by several thousand authorities without mechanisms to predict, track, or control requests.”

The purpose of Wednesday’s hearing is three-fold. First, the Committee wants to know why DSS was unable to cover its costs and why it determined that the imposition of a moratorium on investigation requests was an appropriate response to its fiscal shortfall. Second, the Committee is seeking assurances that this situation will not be repeated in the future. In particular, the Committee expects to hear from the Pentagon how it intends to establish management controls on the flow of personnel security clearance requests as well as how Defense and Office of Personnel Management intend to resolve any difference they may have over shared responsibility for this process, including over rates charged for investigations. Finally, the Committee wants to learn more about the cost of this moratorium, and of an inefficient personnel security clearance process generally, for the government, defense contractors, and the taxpayer.

## **Witnesses:**

### Panel I

Clay Johnson, III, Acting Director, U.S. Office of Management and Budget

Robert W. Rogalski, Special Assistant, Under Secretary (Intelligence), U.S. Department of Defense

*accompanied by:*

Janice Haith, Acting Director, Defense Security Service, U.S. Department of Defense

Kathy L. Dillaman, Associate Director, Federal Investigative Services Division, U.S. Office of Personnel Management

Thomas F. Gimble, Principal Deputy Inspector General, U.S. Department of Defense

### Panel Two

Doug Wagoner, Chairman, Intelligence Subcommittee, Information Technology  
Association of America, on behalf of The Security Clearance Coalition  
William L. Gunst, Vice President for Business Operations, Anteon International  
Corporation  
Nicholas Karangelen, President, Trident Systems, Inc.

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